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**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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Terri Yenko Gould  
v.  
General Marketing Capital, Inc. and Supercar Collectibles  
Limited

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Cancellation No. 92052197

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George E. Bullwinkel, Esq. for Terri Yenko Gould.

Robert D. Buyan of Stout, Uxa, Buyan & Mullins for General  
Marketing Capital, Inc.

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Before Quinn, Cataldo and Hightower,  
Administrative Trademark Judges.

Opinion by Quinn, Administrative Trademark Judge:

General Marketing Capital, Inc. ("respondent" as assignee  
of the involved registration from Supercar Collectibles Limited)  
owns Registration No. 2049857 (issued April 1, 1997; renewed) of  
the mark YENKO (in standard characters) for "toy cars" in  
International Class 28.<sup>1</sup> The registration indicates first use

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<sup>1</sup> When this proceeding commenced the registration was owned by Supercar Collectables Limited. The registration was assigned to the current owner on September 9, 2010; the assignment was recorded in the Office on September 20, 2010 at reel 4281, frame 0425.

anywhere and first use in commerce on October 22, 1996.

Terri Yenke Gould ("petitioner" as the executor of the estate of Donald Frank Yenke) has petitioned to cancel the registration on the following grounds as set forth by petitioner in her own words:

Falsely suggests a connection with the Estate and heirs of Don Yenke, in violation of the Trademark Act section 2(a); and

The marks [sic] in question are being used by the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used, in violation of the Trademark Act section 14.

The petition for cancellation includes additional relevant allegations as follows:

The petitioner represents the estate and heirs of Donald Frank "Don" Yenke, who until his untimely death in 1987 was the designer and builder of a well-known and respected line of competition and sports vehicles sold under the YENKO name and trademark. Between 1966 and 1981, over 800 high-performance vehicles were manufactured and sold under his direction and control under the YENKO name and mark.

At one time, Don Yenke, through his company Yenke Sportscars, Inc., was the owner of U.S. Registration 0930794, registered March 14, 1972, for the following YENKO and design, which registration was not renewed and therefore expired in 1992:



However, Don Yenke's name and reputation have remained strong to the present day because of the continued interest and devoted efforts of thousands of automobile enthusiasts, including, but not limited to, members of the Yenke Sportscar Club, a Missouri not-for-profit corporation formed in 1998. In connection with its membership services, the Club enjoys the exclusive use of the YENKO name and mark by virtue of written permission from the Estate and heirs of Don Yenke, which permission states in pertinent part:

"[A] national organization needs to be developed to better handle the ever increasing problem of proving the difference between a fake Yenke automobile and the original. It is also vitally important to create [sic] a safeguard for all other Yenke artifacts which help preserve the important history of the Yenke legacy."

The respondent's predecessor in interest...was an individual who, without the knowledge or permission of the Estate and heirs of Don Yenke, claimed ownership or rights in the name and mark YENKO for "toy cars," and applied for and [was] issued U.S. Trademark Registration No. 2049857, registered April 1, 1997.

[Respondent] markets and sells in interstate commerce unauthorized replicas of genuine YENKO automobiles...and without the knowledge or permission of the Estate and heirs, has granted one or more purported licenses to others to use the name and mark YENKO on various products sold in interstate commerce, including but not limited to model reproductions of genuine YENKO automobiles...

Other than the limited permission given the Yenke Sportscar Club noted above, the Estate and heirs have never given [respondent

and/or any of its predecessors] permission to use the name and mark YENKO for any purpose, or to license it to others.

Respondent, in its answer, denied the pleaded claims and set forth several affirmative defenses, including that petitioner abandoned her rights to the mark YENKO due to nonuse of the mark for more than five years; and that the petition is barred by laches, waiver and/or acquiescence due to petitioner's fourteen-year delay in asserting her alleged trademark rights.

Petitioner claims that "[t]his case is the tip of a very large iceberg," and that respondent "has been methodically vacuuming up and claiming every trademark-able vestige of Don Yenke's history and heritage....The purpose of this cancellation proceeding is therefore to return these rights to his Estate, which is and always has been its rightful owner." (Brief, p. 18).

#### **The Record**

We first turn our attention to an evidentiary dispute. The Board, in an order dated July 12, 2012, granted various portions of respondent's motion to strike (or "re-strike") filed on March 30, 2012. The Board excluded petitioner's declaration testimony, both when originally filed and as refiled as exhibits to the declarants' testimonial depositions; we have not given any consideration to these declarations. In addition, the Board, in accordance with its practice not to read trial

testimony prior to final decision, deferred consideration of respondent's motion to strike the designated portions of Tom Clary's and Lester Quam's testimony.

Respondent seeks to strike portions of the Clary and Quam testimony (as indicated in Appendix A to respondent's motion) because, according to respondent, these portions constitute "expert" testimony prohibited by the Board's order dated June 17, 2011. In that order the Board ruled, *inter alia*, that in view of petitioner's failure to make any expert disclosures, petitioner was prohibited from filing or relying on any expert testimony; and that if filed, any expert testimony would be stricken and given no consideration. Petitioner opposed the motion, contending that the objected-to testimony is not expert testimony, but rather opinion testimony from lay witnesses based on their own personal backgrounds and experience.

We agree with petitioner's assessment of this testimony, and we deem it admissible as lay opinion testimony, and not as expert testimony, giving it whatever probative weight it merits. We hasten to point out, in any event, that these minimal portions of the respective testimony at issue are hardly outcome determinative. Accordingly, respondent's motion to strike portions of the Clary and Quam testimony identified in Appendix A is denied.

The record comprises the pleadings; the file of the involved registration; trial testimony (some of which is designated "confidential"),<sup>2</sup> with numerous related exhibits, taken by each party; official records relating to the estate of Donald F. Yenko, petitioner's responses to discovery requests, and USPTO official records, all introduced by way of respondent's notice of reliance.

### The Parties

Terri Yenko Gould is the daughter of Donald Frank Yenko and the executor of his estate. From the mid-1960's until 1981, Mr. Yenko, through his company Yenko Sportscars, Inc., designed, modified and sold approximately 800 high-performance Chevrolet automobiles, a so-called "muscle car." Yenko Sportscars, Inc. obtained Registration No. 930794, issued in 1972, for the mark YENKO and design for "sports cars." Mr. Yenko produced his last vehicle in 1981, and made no effort thereafter to support replacement parts, memorabilia and the like. In 1987, Mr. Yenko was killed in a plane crash, and his businesses, including Yenko Sportscars, Inc. and a car dealership, were closed and liquidated. Mr. Yenko's estate documents listed no trademarks as assets, and claimed that Yenko Sportscars, Inc. had no value.

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<sup>2</sup> Steven Leonard's entire testimony was marked "confidential." It is clear, however, that most of the testimony is not truly confidential and so, to that extent, we have not hesitated to refer to such portions of the testimony.

Given the cessation of any business activities under the mark YENKO, no renewal of the trademark registration was filed, and the registration was allowed to expire in 1992. In 1998, Ms. Gould was informed that a group of Yenko car enthusiasts wanted to start a collector's club, led by Mr. Clary; Ms. Gould sent, by way of the family's representative John Connolly, a "letter of approval" to the club. Neither the Estate nor any Yenko family member took any further action with respect to the YENKO mark until it sent respondent a letter in November 2009 wherein petitioner objected to respondent's use; this petition for cancellation was filed in March 2010. A YENKO Chevrolet has been featured in articles in Popular Mechanic and Motor Trend, and was one of the cars in the movie "Fast and Furious."

Jeffrey Leonard, respondent's chief executive officer and sole owner, is an automobile collector whose collection includes a 1968 Yenko Camaro worth approximately \$350,000. In the early 1980's, Mr. Leonard discovered that no one was servicing the market for parts or memorabilia associated with YENKO Chevrolets after Mr. Yenko ceased production. This was a motivating factor for Mr. Leonard because, in the absence of parts suppliers, it was difficult for owners to restore their YENKO cars. Mr. Leonard founded respondent and began producing and selling his YENKO items through his automotive restoration catalog. Mr. Leonard has received awards in the automotive restoration parts

industry, including the Hall of Fame Lifetime Achievement Award for his contributions to the industry. Respondent obtained, by way of assignment, the first of its registrations which issued in 1997, and which is sought to be cancelled herein. In the years that followed, respondent continued to invest resources in the development and marketing of YENKO brand restoration and memorabilia products, numbering over 200 different items, which were then sold through respondent's website and catalogs.

In the mid-1990's, Supercar Collectibles Limited ("SCL"), a predecessor in interest to respondent, recognized an unserved market for scale models of YENKO Chevrolets. Given its view that Mr. Yenko had abandoned his trademark, SCL began use of the YENKO trademark in connection with model cars, and it obtained the involved registration in 1997. Over the years SCL developed and sold over 20 different scale models of YENKO Chevrolets; companies such as Revell and RC2-Ertel/The Learning Curve have sought and paid for licenses granted by SCL under the mark. Respondent eventually obtained the registration through assignment, and use of the mark has been licensed back to SCL.

In addition to the registration sought to be cancelled, which is incontestable, respondent owns the following valid and subsisting registrations, none of which has ever been attacked by petitioner at any time:

Registration No.	Mark	Registration Date	Goods/Services
2314585	YENKO	02/01/00	Mail order catalogue services featuring parts and accessories for the restoration of classic automobiles; wholesale distributorships featuring parts and accessories for the restoration of classic automobiles
3097652	YENKO	05/30/06	Automobiles and automotive parts and accessories, namely, wheel caps, spoilers and emblems
3161668	YENKO	10/24/06	Clothing and headwear accessories, namely shirts, jackets and caps
3585627		03/10/09	Metal parts for motor vehicles, namely, decorative metal automotive emblems, decals; glass mugs; and clothing, namely, t-shirts and caps
3779462	YENKO	04/20/10	Automotive vehicle parts, namely, ornamentation in the nature of decorative metal emblems, hoods, exterior trim, rear spoilers, body panels, badges and engine valve covers; automotive vehicle interior parts, namely, steering wheels; drinking glasses and mugs; clothing, namely, shirts and hats
3812169	YENKO	06/29/10	Motor vehicle accessories, namely, automobile body emblems and license plate frames
4063536	YENKO	11/29/11	Motor land vehicles; motor vehicle accessories, namely, license plates

Respondent also owns three registrations (Registration Nos.

3607796, 3083835, and 3842228) of the mark SYC (in both standard

character form and design form) for goods similar to some of the items listed in the YENKO registrations as set forth above.

### Standing

To establish her standing, petitioner must prove that she has a "real interest" in this cancellation proceeding and a "reasonable basis" for her belief in damage. To plead a "real interest" in this case, petitioner must establish a "direct and personal stake" in the outcome herein. See *Ritchie v. Simpson*, 170 F.3d 1092, 50 USPQ2d 1023, 1027 (Fed. Cir. 1999). If petitioner establishes her standing with respect to any pleaded ground for cancellation, she has the right to assert any other ground as well, that also has a reasonable basis in fact. See *Lipton Indus., Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185, 188 (CCPA 1982).

With respect to the Section 2(a) ground for cancellation, petitioner is not required to prove proprietary rights in her name for standing purposes; thus, even the owner of an abandoned mark, as is the case herein (*see infra*), may have standing to raise this claim. See *Estate of Biro v. Bic Corp.*, 18 USPQ2d 1382, 1385 (TTAB 1991). In asserting a Section 2(a) claim, petitioner has standing by virtue of who petitioner is, that is, her identity. See *Petroleos Mexicanos v. Intermix SA*, 97 USPQ2d 1403, 1405-06 (TTAB 2010).

Ms. Gould testified that she is the daughter of Donald Yenke, and is the executor of his estate. This testimony, with the corroborating evidence of record, establishes petitioner's standing. Moreover, respondent does not contest petitioner's standing in this case. See *Jewelers Vigilance Committee Inc. v. Ullenberg Corp.*, 823 F.2d 490, 2 USPQ2d 2021, 2023 (Fed. Cir. 1987); *Association Pour la Defense et la Promotion de L'Oeuvre de Marc Chagall dite Comite Marc Chagall v. Bondarchuk*, 82 USPQ2d 1838, 1841 (TTAB 2007); and *Order of Sons of Italy in America v. Profumi Fratelli Nostra AG*, 36 USPQ2d 1221, 1223 (TTAB 1995). See also *Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587, 1592 (TTAB 2009) (failure to allege use in the United States is not fatal to petitioner's allegation of standing to bring a misrepresentation of source claim).

#### **Preliminary Remarks**

Respondent, in its answer, alleged that petitioner's mark is abandoned due to nonuse. This allegation, however, is not vigorously pressed in respondent's brief, although the circumstances have an effect on how we view this case. Indeed, after Mr. Yenke stopped production of his cars in 1981, the record is devoid of even a single instance showing that the mark was still in use in connection with any good or service. Other than the Yenke family's "permission" given to a car collectors club to use the Yenke name, there has been absolutely no

activity undertaken by the estate to preserve the Yenko name. As Ms. Gould concedes, petitioner never made any attempt to service the market for replacement parts of YENKO Chevrolet automobiles. (Gould dep., p. 28).

It is often the case in these types of disputes that petitioner will claim that there is residual goodwill in the abandoned mark. In this case, however, petitioner makes no mention of residual goodwill. Given the complete lack of any business activity undertaken by petitioner under the mark for over thirty years now, it is indeed unlikely that petitioner could establish any residual goodwill in the Yenko name on the basis of events that ended three decades ago.

Thus, insofar as proprietary rights are concerned, petitioner's predecessor, that is, Donald Yenko discontinued use in 1981 and, accordingly, abandoned the mark with intent not to resume such use. See *Crash Dummy Movie, LLC v. Mattel, Inc.*, 601 F.3d 1387, 94 USPQ2d 1315 (Fed. Cir. 2010). Cf. *American Motors Corp. v. Action-Age, Inc.*, 178 USPQ 377, 378 (TTAB 1973) ("[A] considerable reservoir of goodwill in the mark RAMBLER in this country inures to opposer as a consequence of the large number of RAMBLER vehicles still on the road; opposer's activities in supplying RAMBLER parts and accessories to owners of these vehicles; and the use by dealers of the term RAMBLER as

a portion of their corporate or business names and their maintenance of RAMBLER signs on their premises.").

The Trademark Act specifically states that "[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment." 15 U.S.C. §1127. The statutory presumption of abandonment applies equally to a registered mark and "to a party's unregistered common-law mark." *Miller Brewing Company v. Oland's Breweries [1971] Limited*, 548 F.2d 349, 192 USPQ 266, 267 (CCPA 1976). Evidence of nonuse of the mark for three consecutive years constitutes a *prima facie* showing of abandonment and shifts the burden to the party contesting the abandonment to produce either evidence to disprove the underlying facts showing three years of nonuse and triggering the presumption of abandonment, or evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390, 1393 (Fed. Cir. 1990); and *Rivard v. Linville*, 133 F.3d 1446, 45 USPQ2d 1374 (Fed. Cir. 1998) ["This presumption shifts the burden to the registrant to produce evidence that he either used the mark during the statutory period or intended to resume or commence use."].

Petitioner admits that Donald Yenke ceased his design and production of cars in 1981, and the record shows that petitioner did not use the mark on cars since the last YENKO Chevrolet was

produced. Moreover, the record is devoid of any testimony or other evidence relating to plans to resume use of the mark YENKO on automobiles. So as to be clear on this point, there is not a single statement or document indicating that petitioner ever had an intention to resume use of the mark on cars or for that matter, on any other product or service.

As to petitioner's reliance on the existence of a club of Yenko Chevrolet enthusiasts, this fact, by itself, fails to defeat the statutory presumption of abandonment by the mark's owner after over thirty years of nonuse in the ordinary course of trade. *General Motors Corp. v. Aristide & Co., Antiquaire de Marques*, 87 USPQ2d 1179, 1183 (TTAB 2008).

In finding abandonment we have taken into account the nature of petitioner's goods, automobiles. We recognize that certain automobiles are long-lasting products, and that the goodwill value of a mark used for automobiles, such as the ones designed, modified and sold by Mr. Yenko, may persist long after production of automobiles with that mark has ceased. See *Emergency One, Inc. v. American FireEagle, Ltd.*, 228 F.3d 531, 56 USPQ2d 1343, 1348 (4<sup>th</sup> Cir. 2000) [dealing with fire engines]; *Ferrari S.p.A. Escercizio Fabriche Automobili e Corse v. Roberts*, 944 F.2d 1235, 20 USPQ2d 1001 (6<sup>th</sup> Cir. 1991); and *Ferrari S.p.A. Esercizio Fabriche Automobili e Corse v. McBurnie*, 11 USPQ2d 1843 (S.D. Cal. 1989). The time lapse in

the present case, however, exceeds the years of nonuse in the cited cases. Further, Mr. Yenke produced only 800 cars from the mid-1960's until 1981, a relatively small number. Here, the period of over three decades of nonuse on automobiles presents a persuasive case for abandonment. See *L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co.*, 79 F.3d 258, 38 USPQ2d 1202 (2d Cir. 1996) [sixty years of nonuse resulted in abandonment]; and *Silverman v. CBS Inc.*, 870 F.2d 40, 9 USPQ2d 1778 (2d Cir. 1989) (21 years of nonuse resulted in abandonment).

Petitioner's abandonment raises serious questions about the viability of its pleaded claims going forward. However, for the sake of completeness, we shall proceed to consider the merits of the substantive claims for cancellation.

#### **Misrepresentation of Source**

A party may, pursuant to Section 14(3) of the Trademark Act, 15 U.S.C. 1064(3), petition to cancel a registration of a mark if the mark "is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used."

Under the statute, a claim of misrepresentation of source can be asserted as a ground for cancellation "at any time."<sup>3</sup>

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<sup>3</sup> In the present case, of course, respondent's registration is over five years old and, thus, a likelihood of confusion claim is unavailable under Section 14(3).

"The term misrepresentation of source, as used in Section [14(3)] of the Act, refers to situations where it is deliberately misrepresented by or with the consent of the registrant that goods and/or services originate from a manufacturer or other entity when in fact those goods and/or services originate from another party." *Osterreichischer Molkerei-und Kasereiverband Registrierte GmbH v. Marks and Spencer Limited*, 203 USPQ 793, 794 (TTAB 1979). See *Global Maschinen GmbH v. Global Banking Systems, Inc.*, 227 USPQ 862, 864 n.3 (TTAB 1985). In order to prevail, petitioner must show that respondent took steps to deliberately pass off its goods as those of petitioner. That is, petitioner must establish "blatant misuse of the mark by respondent in a manner calculated to trade on the goodwill and reputation of petitioner." *Otto Int'l Inc. v. Otto Kern GmbH*, 83 USPQ2d 1861, 1863 (TTAB 2007), quoting *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ 45, 47 (TTAB 1985). See generally, J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, § 20:60 (4th ed. 2013). See also Theodore H. Davis, Jr., "Cancellation Under Section 14(3) for Registrant Misrepresentation of Source," 85 TMR 67 (Jan.-Feb. 1995) ("As a vehicle for canceling federal registrations, Section 14(3)'s misrepresentation of source prong has been invoked infrequently, much less successfully used.").

Thus, in reviewing the record, we look for evidence reflecting respondent's deliberate misrepresentation of the source of its products, "blatant misuse" of the mark, or conduct amounting to the deliberate passing-off of respondent's goods. Willful use of a confusingly similar mark is not sufficient. *McDonnell Douglas Corp. v. National Data Corp.*, 228 USPQ at 47.

Petitioner's proofs fall far short. Respondent and its predecessor SCL took adequate steps, prior to adopting the mark YENKO for toy cars in 1996, to confirm that any prior rights in the mark had been abandoned. Indeed, as indicated above, petitioner's mark was abandoned at that time. When the mark YENKO was first used by SCL in connection with toy cars, SCL held, as confirmed by the testimony of Scott Dahlberg and James Sullivan (co-founders of SCL), a well-founded belief that the YENKO mark was abandoned. There had been no use of the mark by the Yenke family since 1981; the registration expired in 1992; and the family had not undertaken any activities to perpetuate any goodwill that might have remained in the mark (and, to reiterate, the record is devoid of any evidence bearing on residual goodwill).

Given this situation, there could be no deliberate misrepresentation of the source of respondent's products, "blatant misuse" of the mark, or conduct amounting to the deliberate passing-off of respondent's goods.

Accordingly, this Section 14(3) claim fails.

**False Suggestion of a Connection**

Section 2(a) of the Trademark Act, 15 U.S.C. § 1052(a), provides that registration may be denied or cancelled when the mark "consists of or comprises...matter which may...falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols...." A "person" may be a corporation or other entity.

In this cancellation proceeding, the critical date for determining the Section 2(a) issue is the date that the challenged registration was granted, that is, we must decide whether the involved mark pointed uniquely to petitioner as of the time the registration issued, not as of the time of the filing of the petition for cancellation. *Hornby v. TJX Cos. Inc.*, 87 USPQ2d 1411, 1426 (TTAB 2008).

There is a four-factor test for determining whether a mark falsely suggests a connection under Section 2(a). Petitioner must prove:

1. That respondent's mark is the same as, or a close approximation of, petitioner's previously used name or identity;
2. That the mark would be recognized as such, in that it points uniquely and unmistakably to petitioner;
3. That petitioner is not connected with the goods and/or services sold or the activities performed by respondent under the mark; and

4. That petitioner's name or identity is of sufficient fame or reputation that, when respondent's mark is used on its goods and/or services, a connection with petitioner would be presumed.

*Boston Red Sox Baseball Club LP v. Sherman*, 88 USPQ2d 1581, 1593 (TTAB 2008).

This claim fails for lack of proof. The record falls far short of establishing factors 2 and 4, namely, there is insufficient proof to show that the mark YENKO, in April 1997 (that is, when the registration issued), pointed uniquely and unmistakably to the decedent Donald Yenke and was recognized as such, and that the Yenke name was of sufficient fame or reputation that, when the mark YENKO was used on toy cars in 1997, a connection with petitioner was presumed. Although Yenke Chevrolets may be quite valuable today, there is little in the record to show that Mr. Yenke or his estate took any action to perpetuate his alleged fame and reputation after production ceased in 1981, and after Mr. Yenke's death in 1987.

In arguing its case petitioner puts substantial reliance on the case of *Association Pour la Defense et la Promotion de L'Oeuvre de Marc Chagall dite Comite Marc Chagall v. Bondarchuk*, *supra*, asserting that it is on "all fours" with the present case. Suffice it to say that the cases are readily distinguishable, the earlier case having substantial and unambiguous evidence regarding the fame and reputation of the

painter Marc Chagall, some of which was due to petitioner's success in licensing the mark after the painter's death. These facts are not present in the instant case.

This Section 2(a) claim fails for lack of proof.

### Laches

Section 19 of the Trademark Act, 15 U.S.C. § 1069, provides that "[i]n all inter partes proceedings equitable defenses of laches, estoppel, and acquiescence, where applicable may be considered and applied." The defense is available against each of petitioner's pleaded grounds for relief. See *Treadwell's Drifters, Inc. v. Marshak*, 18 USPQ2d 1318, 1320-21 (TTAB 1990).

The elements of laches are (1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to another attributable to that delay.

*Bridgestone/Firestone Research Inc. v. Automobile Club de L'Ouest de la France*, 245 F.3d 1359, 58 USPQ2d 1460, 1462 (Fed. Cir. 2001).

In the context of this proceeding, laches begins to run from the time action could be taken against the registration of the involved mark, regardless of when use of the mark began. Thus, laches begins to run no earlier than the date the involved mark was published for opposition, and no later than the issue date of the registration. *National Cable Television Assoc., Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d

1424, 1431-32 (Fed. Cir. 1991). See *Teledyne Technologies, Inc. v. Western Skyways, Inc.*, 78 USPQ2d 1203, 1210 (TTAB 2006), *aff'd unpublished opinion*, Appeal Nos. 2006-1366 and 1367 (Fed. Cir. Dec. 6, 2006).

**Delay**

In determining whether petitioner is guilty of laches, it must be shown that petitioner knew or should have known that it had a cause of action, yet did not act to assert or protect its rights. *Bridgestone/Firestone Research, Inc. v. Automobile Club de L'Ouest de la France*, 58 USPQ2d at 1462. The Board has held in at least two cases that a five-year period of time between the issuance of the registration and the filing of the petition for cancellation was unreasonable. *Christian Broadcasting Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d 1560, 1572-73 (TTAB 2007); and *Turner v. Hops Grill & Bar Inc.*, 52 USPQ2d 1310, 1312 (TTAB 1999) ("Because actual knowledge is not the appropriate measure, and the length of the delay is clearly substantial, petitioner's delay in objecting to respondent's registration is unreasonable.").

The underlying application for the involved registration was published for opposition on March 5, 1996; the registration issued on April 1, 1997. Thus, petitioner is charged with constructive notice of the registration it now seeks to cancel dating back to 1996. As made clear by the record, petitioner

had actual notice of respondent's use in 1998 when Yenko family members attended the first annual car reunion at which respondent had a vendor booth to sell its toy cars (*see infra*). The petition for cancellation was filed on March 11, 2010.

Thus, the delay in taking action against the involved registration dates from March 5, 1996 to March 11, 2010, a period of fourteen years. That is to say, petitioner knew or should have known that it had a right of action, yet did not act to assert or protect its rights, if any, for fourteen years.

According to Ms. Gould, prior to the filing of this petition for cancellation in 2010, petitioner took no action to search, monitor or otherwise police the marketplace for any "unauthorized" uses of the YENKO mark. (Gould dep., pp. 28; 45). Notwithstanding the Yenko family's actual notice of SCL's use of the mark YENKO on toy cars in 1998, not to mention that the family heard "rumors" of the Yenko name being used on other goods, the family never took any action. Mr. Leonard testified that the first objection from the Yenko family was a letter dated November 2, 2009 wherein the estate threatened to file a lawsuit over respondent's use of the mark YENKO.

Under the circumstances present herein, fourteen years is an unreasonable and substantial delay in asserting rights, if any, by petitioner. Equally telling is petitioner's complete

failure to explain this delay in taking action; no reasonable excuse is given for its inaction.

**Prejudice**

Mere delay in asserting a trademark right does not necessarily result in changed conditions sufficient to support the defense of laches. There must also have been some detriment due to the delay. Prejudice may arise from an unreasonable delay and economic prejudice based on loss of time or money or foregone opportunity. A party asserting laches may strengthen its showing of prejudice by showing that during the delay its business under the mark grew. *See Christian Broadcasting Network Inc. v. ABS-CBN Int'l*, 84 USPQ2d at 1573 ("Prejudice, however, may be as simple as the development of goodwill built around a mark during petitioner's delay."). Respondent does not need to show, however, reliance on the delay of petitioner or that petitioner by inaction lulled respondent.

*Bridgestone/Firestone Research, Inc. v. Automobile Club de L'Ouest de la France*, 58 USPQ2d at 1463 ("When there has been an unreasonable period of delay by a plaintiff, economic prejudice to the defendant may ensue whether or not the plaintiff overtly lulled the defendant into believing that the plaintiff would not act, or whether or not the defendant believed that the plaintiff would have grounds for action.").

Mr. Sullivan, co-founder of SCL, respondent's predecessor in interest to the involved registration, testified that "I researched the trademark, saw that it had expired and went about registering the trademark so we could go about things correctly." (Sullivan dep., p. 14). As indicated earlier, respondent intended to serve the replacement part market because no one had filled the void when Mr. Yenke ceased production of cars. (Leonard dep., pp. 63; 69-70).

Mr. Leonard testified as follows:

I believe that I have spent the last 20 to 25 years cultivating this particular trademark name. I've created product for it, I've invested a lot of time and effort and money and engineering and inventory. I've tried to promote the name, market the name. And I believe that one of the benefits that I receive from it was simply that I tried to do it in a way - well, I did do it in a way that was legal. I registered the trademarks, there was constructive notice on the trademarks, and no one objected to anything that I was doing for 25 years.

So, I feel that these trademarks belong to me, I cultivated them and I own them, and I don't see any reason why they should be shared with anybody.

(Leonard dep., pp. 70-71).

As indicated above, in 1998, the Yenke family, through their "representative" John Connolly, authorized an enthusiasts club to use the name Yenke in a one-page letter. Mr. Clary proceeded to establish the Yenke Sportscar Club, and the first

annual "Supercars Reunion" was held in 1998; attendees included owners of Yenko Chevrolets and other muscle cars. According to Messrs. Dahlberg and Sullivan, Mr. Clary purchased 150 YENKO Chevrolet model cars from SCL for the first reunion. These models were available to the general public, and SCL was advertising its YENKO model cars in printed publications such as Hot Rod and Super Chevy. For purposes of the first reunion, SCL agreed to place special reunion stickers on the boxes of the models. Messrs. Dahlberg and Sullivan personally delivered the model cars to the reunion location, and set up a vendor table at the reunion. One of the models was given away as an award to an attendee. Among those attendees at the 1998 reunion were Mr. Clary, Mr. Connolly, and Hope Yenko, widow of Donald Yenko and stepmother of Ms. Gould.

Through the years respondent advertised its products in printed publications and its own catalogs. Respondent has had a business relationship since the early 1990's with General Motors ("GM"), the company that produces Chevrolet automobiles. Respondent is licensed by GM to distribute restoration parts and accessories for cars such as the Camaro, Impala and Nova. When the Camaro brand for cars was resurrected in 2010, respondent and GM had discussions about the YENKO mark, and at no time did GM question respondent's ownership of the mark.

We find that respondent's business grew during the time of petitioner's fourteen years of inaction, and that respondent and SCL expended time, effort and money in building their business under the YENKO mark. As shown by the registration history, respondent continued to use and invest in the mark YENKO, expanding its business and obtaining registrations along the way, thereby building up a valuable business and goodwill in association with the mark YENKO during the time petitioner remained silent. Thus, we find that the record supports a finding of economic prejudice to respondent during the unreasonable delay of petitioner.

At bottom this case shows that Donald Yenke's family did virtually nothing after production ceased in 1981, or from the time of his death in 1987 until the instant petition was filed in 2010 to keep the family name in the consciousness of muscle car aficionados.

Accordingly, we find that respondent has established the affirmative defense of laches against the petition for cancellation.

#### **Morehouse Defense**

Lastly, respondent spends a mere one-half page of its brief to assert the *Morehouse* defense. See *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 166 USPQ 715 (CCPA 1969). The *Morehouse* defense is an equitable affirmative defense which, in

appropriate circumstances, may be asserted by a defendant/applicant in an *inter partes* proceeding. It is based on the principle that “[a]n opposer cannot be ‘damaged’ within the meaning of Lanham Act §13 by registration of a mark for particular goods or services if applicant owns an existing registration for the same or substantially identical mark for the same or substantially identical goods.” J.T. McCarthy, McCarthy on Trademarks and Unfair Competition, § 20:38 (4<sup>th</sup> ed. 2012). See *O-M Bread Inc. v. United States Olympic Committee*, 65 F.3d 933, 36 USPQ2d 1041 (Fed. Cir. 1995); and *Green Spot (Thailand) Ltd. v. Vitasoy International Holding Ltd.*, 86 USPQ2d 1283 (TTAB 2008).

Although the registration sought to be cancelled is for a mark identical to respondent’s other registered YENKO marks, the goods identified in the involved registration and the goods identified in respondent’s other registrations are not the same or substantially identical goods as contemplated by the defense. Accordingly, the defense does not apply in this case.

#### **Conclusion**

In sum, we have carefully considered all of the probative evidence pertaining to petitioner’s claims and respondent’s defenses, as well as all of the parties’ relevant arguments with respect thereto (including any evidence and arguments not specifically discussed in this opinion), and we conclude that

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petitioner has not proved its misrepresentation of source claim and false suggestion of a connection claim, and that respondent has proved its laches defense.

**Decision:** The petition for cancellation is dismissed.